

C O N F I D E N T I A L ZAGREB 001298

SIPDIS

DEPARTMENT FOR PM/B (LINO)

E.O. 12958: DECL: 06/06/2013

TAGS: [PREL](#) [PARM](#) [MARR](#) [HR](#) [KICC](#)

SUBJECT: SCENESETTER FOR AMB. LINO'S VISIT TO CROATIA JUNE

11-12

REF: A. ZAGREB 1296

[1B.](#) STATE 153958

Classified By: Ambassador Lawrence G. Rossin for Reasons 1.5 (B, D)

Overview

[11.](#) (C) With its application for membership in the EU's "in-box" and parliamentary elections around the corner, it is extremely unlikely that the Croatian government will move any closer to signing an Article 98 Agreement during your visit, or even discuss texts. We expect their entire focus will be to argue for a waiver. This will be one in a series of GoC policy choices which have damaged our bilateral relationship (ref A). Your visit represents the USG's "extra mile" effort to prevent this outcome. We look forward to your visit and to welcoming you to Zagreb.

The Environment

[12.](#) (C) Croatia submitted its formal application for EU membership in December 2002. Since then, every single GoC policy decision has been taken with a view towards how the Racan Government believes it will be perceived by the European Union. In the case of Iraq, that meant not only declining our request to join the coalition of the willing, but publicly crowing about it. On deciding whether to engage toward signing an Article 98 Agreement, that meant taking the Patten/Papandreu letter urging candidate countries' adherence to EU guidelines as if it were Holy Writ and as if Croatia was actually under active consideration for membership in the near term.

[13.](#) (C) Croatia's coalition government came to power in January 2000, bringing to an end the corrupt, nationalist regime of Tudjman's HDZ. Apart from ejecting the HDZ, however, the coalition parties had few major goals in common. The Racan Government has managed to hang on through most of its four-year mandate, but it has been a rocky ride, including countless threats of resignations, several cabinet reshuffles and one genuine government crisis. Although there has been no formal announcement, the next parliamentary election is widely expected to take place late this autumn. All of Croatia's politicians believe the best way to get more votes is to show that they are more pro-EU than their competition.

The Arguments

[14.](#) (C) The USG has been pushing Croatia hard, both in Washington and in Zagreb, to move forward on an Article 98 agreement. Although the GoC continues to tell both us and the public that it has not made a formal decision, we understand that the Racan Cabinet has already decided not to sign. The excuses they will present in their meetings with your delegation are by this time very familiar, as are the reasons they believe Croatia's "special circumstances" make it a good candidate for a national interest waiver.

-- EU Accession. While the GoC downplays this argument in its discussions with us (since they know it carries little weight), it takes the admonition in the Patten/Papandreu letter very seriously and will not step outside the lines set out in the EU Common Positions. Despite all indications that the EU's bark is worse than its bite, the GoC has not responded to our urging that it explore what the true, limited repercussions of signing an Article 98 agreement would be for its application for EU membership.

-- ICTY/ICC Linkage. Croatia's leaders have done nothing to explain the differences between ICTY and the ICC to the public. (They acknowledge the distinction to us in private.) As a result, they not only presume, self-servingly, but also make it more probable that voters would punish them for allowing the U.S. to exempt its servicemembers while sending Croatia's "heroes" to the Hague.

-- Regional Stability. The GoC believes that the U.S. should understand that Croatia is irreplaceable as we seek to build

stability in the region. Cutting U.S. military assistance would not only slow Croatia's progress toward NATO membership, but would also impede its effort to increase the security of its borders.

-- U.S. - Croatia Relations. The GoC believes that bilateral military ties are the strongest part of our overall relationship. IMET training in particular has been a solid investment of good will and good intentions which is at risk if the U.S. does not grant Croatia a national interest waiver.

-- Domestic Political Fallout. GOC leaders say that voters will punish coalition parties if the GoC signs an Article 98 agreement. Since the opposition HDZ is still largely undemocratic and supports policies which oppose our goals for regional stability, the U.S. cannot afford to risk a return to power of the right-wing nationalists. (This argument holds little water since the HDZ has already called publicly for the Croatia to sign an agreement.)

Likely Outcome  
-----

15. (C) While it is all but certain that the GoC will not agree to sign an Article 98 agreement during your visit, it will present its engagement with your delegation to the Croatian public as a good faith effort to find common ground and to make Croatia's case for a national interest waiver. It also will likely seek to use the visit with us as evidence of its serious effort to reach common ground -- i.e., for us to grant a waiver.

Managing the Message  
-----

16. (C) Croatia's foreign ministry has already approached us seeking to orchestrate a joint press conference and statement with a view toward minimizing differences and papering over the serious cracks in our bilateral relationship. That also would mainly be for domestic consumption. We turned them down and have instead organized a private interview for you with a very solid journalist from Croatia's least sensationalist daily newspaper where you will be able to lay out the facts about ICC and Article 98 and have them reported faithfully.

ROSSIN  
NNNN